



VALUE ENGINEERING

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FOREWORD

Value Engineering (VE)

VE is recognized as an effective technique for reducing costs, increasing productivity, and improving quality-related features such as durability, reliability, and maintainability. There has been a VE program in the Department of Defense (DoD) for over twenty years. Then, as now, the DoD VE program consists of in-house and contractor activities. Provisions in the Federal Acquisition Regulation permit a contractor to share the savings that result from those contractor value engineering change proposals that are accepted by the Government.

The first in this handbook series, DoD Handbook 111, was published on March 29, 1963. Since its second publication in 1968, as DoD Value Engineering Handbook, DoD 5010.8-H, portions have again become obsolete. The integration of VE with design to cost, acquisition streamlining, spares value analysis, and other recent management initiatives along with the emphasis on VE as an integral part of the line management process are some of the reasons that prompted this revision. This Handbook is authorized by DoD Directive 4245.8.

This Handbook is intended as a guide and should not be interpreted as a DoD directive. It is intended to provide an understanding of the DoD VE program in order to encourage broad participation and achieve maximum benefits. It has been prepared by the U.S. Army Management Engineering Training Activity (AMETA). However, some material in the Handbook has been synthesized from extensive comments and suggestions received from both Government and industry contributors. Suggestions for further improvement should be addressed to the Office of the Assistant Secretary of Defense (Acquisition and Logistics), Pentagon, Washington, D.C. 20301-8000.

DoD Components may obtain copies of this publication through their own publication channels. Other Federal Agencies and the public may obtain copies from the U.S. Department of Commerce, National Technical Information Services, 5285 Port Royal Rd., Springfield, Virginia 22161.

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